

Senate File 2083 - Introduced

SENATE FILE 2083

BY CHELGREN

A BILL FOR

1 An Act relating to property taxation by modifying assessment
2 limitations on classifications of property, by modifying
3 the method for valuing agricultural property, and including
4 applicability provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 403.20, Code 2011, is amended to read as
2 follows:

3 **403.20 Percentage of adjustment considered in value**
4 **assessment.**

5 In determining the assessed value of property within an
6 urban renewal area which is subject to a division of tax
7 revenues pursuant to section 403.19, the difference between the
8 actual value of the property as determined by the assessor each
9 year and the percentage ~~of adjustment certified for that year~~
10 ~~by the director of revenue on or before November 1 pursuant to~~
11 specified in section 441.21, subsection 9 1, paragraph "a",
12 multiplied by the actual value of the property as determined by
13 the assessor, shall be subtracted from the actual value of the
14 property as determined pursuant to section 403.19, subsection
15 1. If the assessed value of the property as determined
16 pursuant to section 403.19, subsection 1, is reduced to zero,
17 the additional valuation reduction shall be subtracted from the
18 actual value of the property as determined by the assessor.

19 Sec. 2. Section 441.21, subsection 1, paragraph a, Code
20 Supplement 2011, is amended to read as follows:

21 a. All property subject to taxation shall be valued at its
22 actual value which shall be entered opposite each item, and,
23 ~~except as otherwise provided in this section,~~ shall be assessed
24 at ~~one hundred~~ fifty percent of its actual value, and the value
25 so assessed shall be taken and considered as the assessed value
26 and taxable value of the property upon which the levy shall be
27 made.

28 Sec. 3. Section 441.21, subsection 1, paragraphs e and f,
29 Code Supplement 2011, are amended by striking the paragraphs.

30 Sec. 4. Section 441.21, subsection 1, paragraph g, Code
31 Supplement 2011, is amended to read as follows:

32 g. Notwithstanding any other provision of this section,
33 the actual value of any property shall not exceed its fair and
34 reasonable market value, ~~except agricultural property which~~
35 ~~shall be valued exclusively as provided in paragraph "e" of this~~

1 subsection.

2 Sec. 5. Section 441.21, subsection 6, Code Supplement 2011,
3 is amended to read as follows:

4 6. Beginning with valuations established as of January
5 1, 1978, the assessors shall report the aggregate taxable
6 values and the number of dwellings located on agricultural
7 land ~~and the aggregate taxable value of all other structures~~
8 ~~on agricultural land~~. Beginning with valuations established
9 as of January 1, 1981, the agricultural dwellings located on
10 agricultural land shall be valued ~~at their market value as~~
11 ~~defined in this section and agricultural dwellings shall be~~
12 ~~valued as rural residential property and shall be assessed at~~
13 ~~the same percentage of actual value as is all other classified~~
14 as residential property.

15 Sec. 6. Section 441.21, subsections 4, 5, 9, and 10, Code
16 Supplement 2011, are amended by striking the subsections.

17 Sec. 7. APPLICABILITY. This Act applies to assessment years
18 beginning on or after January 1, 2013.

19 EXPLANATION

20 This bill strikes the current methodology used to calculate
21 the assessment limitations (rollback) under Code section 441.21
22 for residential property, agricultural property, commercial
23 property, industrial property, and property valued by the
24 department of revenue pursuant to Code chapters 428, 433, 434,
25 437, and 438. The bill provides that all property subject
26 to taxation shall be valued at its actual value and shall be
27 assessed at 50 percent of its actual value. Code section
28 441.21 defines "actual value" to mean market value.

29 The bill also strikes provisions requiring that the actual
30 value of agricultural property be determined on the basis of
31 productivity and net earning capacity of the property. Under
32 the bill, agricultural property shall be valued based on market
33 value.

34 The bill also makes corresponding changes to other
35 provisions of law to reflect the stricken methodology used to

S.F. 2083

1 calculate the assessment limitations under Code section 441.21.

2 The bill applies to assessment years beginning on or after

3 January 1, 2013.